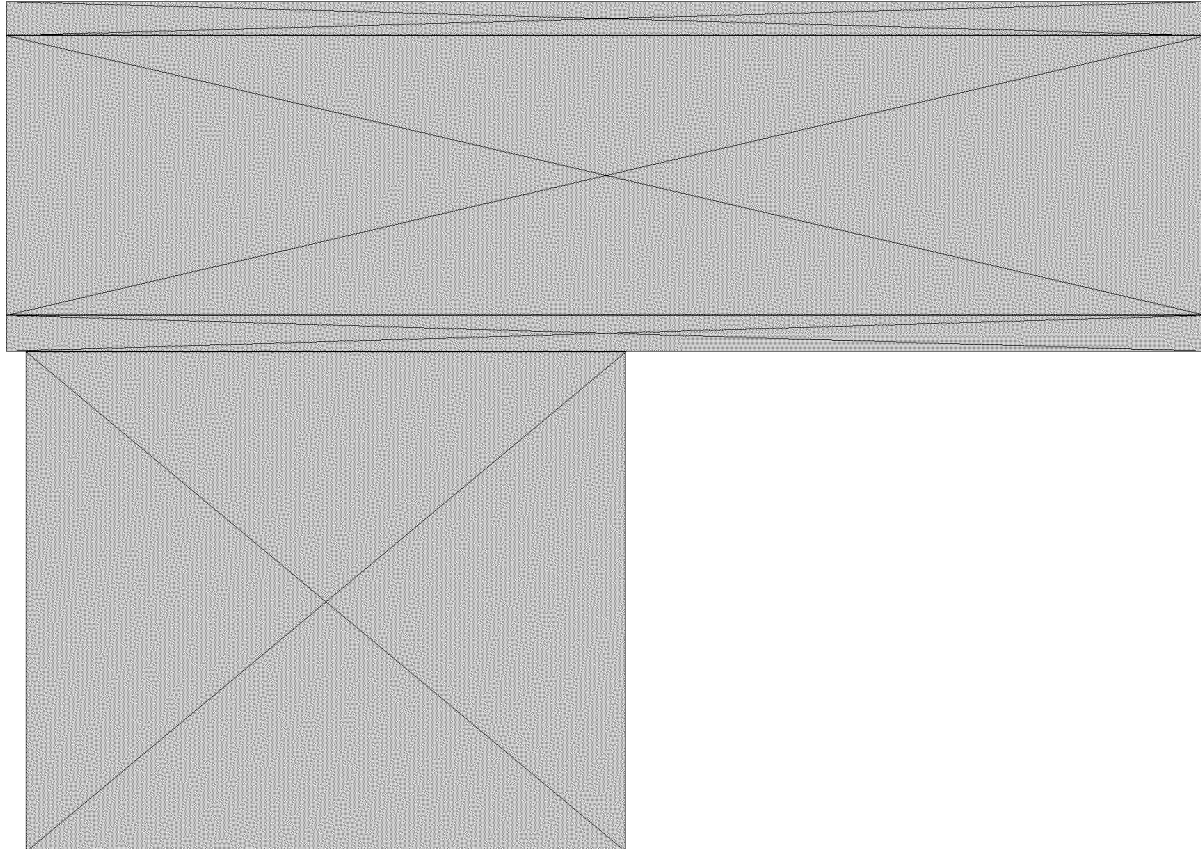


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**From:** EnergyGuardian  
**Sent:** Thur 10/1/2015 9:20:15 PM  
**Subject:** McCarthy fights off ozone critics on all sides

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Energy and environment headlines for the afternoon of Thursday, October 1, 2015



## McCarthy fights off ozone critics on all sides

By Kevin Rogers

Environmental Protection Agency Administrator Gina McCarthy, under fire from both industry and environmentalists over the agency's move to tighten its ground-level ozone standard to 70 parts per billion, on Thursday defended what she described a "judgment call" based on the best available science and the legal requirements of the Clean Air Act.

The agency's final rule, unveiled Thursday, was decried as "burdensome, costly and misguided" by industry groups and Republicans, who vowed to roll it back through legislation, while environmentalists and health advocates called it "insufficient," saying

didn't go far enough to protect public health.

McCarthy, however, said that the law requires her to develop a "requisite" standard that would provide "an adequate margin of safety." Based on the agency's analysis of nearly 2,300 studies, she concluded that 70 ppb was the optimal level.

"I must set a standard that, in my judgment, is no more or less stringent than necessary to protect at-risk groups," she told reporters on a call. "I did not base it on a popularity contest. This is about doing what the science says and the law, and I think I have a long history with all sides of being a person who does my job the best I can."

The new standard, while lower than the 75 ppb established by the Bush administration in 2008, fell on the high end of EPA's proposal. The agency took comment on setting the standard as low as 60 ppb.

The rules don't directly set new federal source pollution standards, instead leaving it to the states to develop their own implementation plans to meet the federal ozone level requirement. Those plans could include a mix of pollution controls on the manufacturing, energy production and transportation sectors, to reduce emissions of nitrogen oxide and volatile organic compounds. How much each sector must do, and how much of each pollutant is reduced, is up to each state, as long as the 70 ppb ozone level is achieved.

In 2017, the agency, after analyzing air quality data from 2014, 2015 and 2016, will determine which counties are in nonattainment with the new standard. State compliance would phase in between 2020 and 2037, with each state's specific deadline depending on its region's severity of ozone pollution.

"We are not changing the world today, but we are telling the public what we believe to be the healthy air that we're driving," McCarthy said.

The agency said the new rule would have a price tag of \$1.4 billion a year, but, by 2025, would reap up to \$5.9 billion in related health benefits per year.

Environmentalists and health groups, however, contended that the science put the optimal health benefits at a 60 ppb.

Sierra Club President Michael Brune called the new rule a "missed opportunity."

"The level chosen of 70 parts per billion simply does not reflect what the science shows is necessary to truly protect public health," American Lung Association President and CEO Harold Wimmer said in a statement. "Of the levels that were under consideration by the U.S. Environmental Protection Agency, an ozone limit of 60 ppb would have given Americans much greater health protections."

McCarthy, however, contended that studies pressing for 60 ppb didn't make a compelling case for such a low standard.

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"While some studies have shown effects in adults at levels as low as 60 ppb, these studies do not show that these effects are harmful," she said.

Business groups, on the other hand, said that the rule, even at 70 ppb, would cause catastrophic economic damage. They argued that ozone levels have been in decline since 1980 and don't require additional mandates to push them lower.

"For months, the Administration threatened to impose on manufacturers an even harsher rule, with even more devastating consequences," National Association of Manufacturers President Jay Timmons said in a statement. "But make no mistake: the new ozone standard will inflict pain on companies that build things in America — and destroy job opportunities for American workers."

McCarthy dismissed NAM's arguments as repetitive and dated.

"They say lots of things. Many of them are things they've said for the past 20 or 30 years," she said. "I'm not looking at what other groups are saying."

She also hit back at arguments that the new standard would plunge the nation into nonattainment, estimating that all but 14 counties outside of California had, by complying with air pollution standards already on the books, put themselves on track to reach 70 ppm by 2025.

NAM and the American Petroleum Institute also called on Congress to take action to block the new standard. Senate Environment and Public Works Chairman Sen. James Inhofe, R-Okla., said he would make it a priority.

"Our country should have been given the opportunity to fully meet the 2008 standard before implementing another frivolous and costly mandate," he said in a statement. "I will be pursuing legislation in my committee to push back on EPA and prevent red tape from continuing to run amok."

His Democratic counterpart, ranking member Sen. Barbara Boxer, D-Calif., said in a statement that the rules were a positive development, but the 70 ppb standard wasn't tough enough.

"Today's action is a step in the right direction, but I believe following the science is important, and I am disappointed that a more protective standard was not set," she said.

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## Feds want tougher rules for oil pipelines

By Matthew Brown

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BILLINGS, Mont. (AP) — U.S. officials said Thursday they want tighter safety rules for pipelines carrying crude oil, gasoline and other hazardous liquids after a series of ruptures that included the costliest onshore oil spill in the nation's history in Michigan.

The U.S. Department of Transportation proposed expanding pipeline inspection requirements to include rural areas that are currently exempt and for companies to more closely analyze the results of their inspections.

The agency also would make companies re-check lines following floods and hurricanes, and submit information on thousands of miles of smaller lines that fall outside of existing regulations.

The Associated Press obtained details of the proposal in advance of Thursday's formal announcement. It covers more than 200,000 miles of hazardous liquids pipelines that crisscross the nation — a network that expanded rapidly over the past decade as domestic oil production increased.

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## **Hurricane and rainstorm are locked in a dangerous dance**

**By Seth Borenstein**

WASHINGTON (AP) — Hurricane Joaquin is locked in a dance with an extraordinarily heavy rainstorm that is already drenching the Carolinas. As the two draw closer together over the next few days, the effects could be disastrous for the East Coast.

The rainstorm is the dance partner that is leading this tango, and what it does will determine where Joaquin goes and how much of the East Coast floods. Storm No. 1 could push Joaquin out to sea or pull it into the heavily crowded Northeast.

At the same time, Joaquin is feeding the storm with moisture, contributing to its heavy rainfall.

Meteorologists are deeply uncertain about where Joaquin will go. But they warn that the record-breaking rain from storm No. 1 is a sure and scary thing, at least for an area for South Carolina to Washington, D.C.

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**Ex-Massey CEO Don Blankenship arrives for federal trial**

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By Jonathan Matisse

CHARLESTON, W.Va. (AP) — Former Massey Energy CEO Don Blankenship has arrived for the start of his federal trial on charges that he conspired to break safety laws and lied to financial regulators about safety practices.

Blankenship stepped out of a minivan that stopped in front of Charleston's federal courthouse Thursday. Wearing a suit and striped tie, Blankenship was accompanied by three homeland security officers.

As he entered the courthouse on the first day of jury selection, a reporter asked whether he was innocent of the charges. Blankenship smiled and said "yes."

The 65-year-old Blankenship faces up to three decades in prison if convicted over how he ran the Upper Big Branch Mine, which exploded in 2010, killing 29 miners.

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## **CEO in deadliest US mine accident in 4 decades on trial**

By Jonathan Matisse

CHARLESTON, W.Va. (AP) — Former Massey Energy CEO Don Blankenship hit the courtroom for a criminal trial Thursday, facing charges that he conspired to break safety laws and lied to financial regulators about safety practices at the site of the deadliest U.S. mine explosion in more than four decades.

If he's convicted, it would be a rare instance where a CEO faces prison time.

In April 2010, an underground explosion ripped through Massey's former Upper Big Branch Mine in Montcoal, West Virginia, killing 29 workers. Blankenship is attending U.S. District Court in Charleston for his jury trial.

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## **California meets water savings target for third month**

By Scott Smith

FRESNO, Calif. (AP) — Californians cut water use by 27 percent in August, marking the third consecutive month that residents and businesses surpassed the 25 percent conservation goal set by Gov. Jerry Brown to deal with the relentless drought, officials said Thursday.

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The figures released by the State Water Resources Control Board showed a slight decrease in savings from the 31 percent posted for July — a development that raised concerns among some officials.

However, board chair Felicia Marcus said the slippage was not completely surprising given the heavy rains that drenched Southern California in July and prompted people to turn off sprinklers.

"The fact the numbers didn't drop precipitously shows that people get it," she said. "In a crisis people pull together and they hang in there."

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## **A message from the American Petroleum Institute**

**America is now the world's #1 natural gas producer and will soon be #1 in oil. Now more than ever, abundant energy means abundant prosperity, opportunity and security for all Americans.**

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## **US auto sales jump last month at Ford, Nissan, Fiat Chrysler**

**By Dee-Ann Durbin**

DETROIT (AP) — Just about everything broke right for the U.S. auto industry in September, as strong consumer demand, easy credit and generous incentives combined for double-digit sales gains at most major automakers.

Right now, the scandal over emissions cheating at Volkswagen is hurting only the German automaker; VW's sales were up less than 1 percent over last September. A bigger concern for the industry in the coming months may be an impasse in contract talks between the Detroit automakers and the United Auto Workers, analysts warned.

Ford's U.S. sales grew 23 percent in September, Nissan surged 18 percent and Fiat Chrysler's U.S. sales jumped nearly 14 percent. Sales at General Motors rose 12 percent, while Toyota posted a 16 percent gain. Honda's sales were up 13 percent.

Analysts expected big sales increases because Labor Day was included in September this year versus August a year ago. Labor Day weekend is typically one of the biggest sales periods of the year, as dealers offer discounts to clear cars off their lots before the new model-year vehicles arrive.

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## **GM warns the Valley: Prepare to compete over driverless cars**

**By Tom Krisher**

MILFORD TOWNSHIP, Mich. (AP) — Move that tiny self-driving pod out of the way.

That might as well have been the message Thursday from General Motors to Google, Apple and anyone else with designs on dominating the market for autonomous cars.

The 107-year-old automaker told Wall Street analysts Thursday that it intends to lead no matter what form of transportation people pick in the future.

GM already has millions of cars on the road that are connected to the Internet, and it has young engineers who are helping to develop new technology that will lead to autonomous driving, said Mark Reuss, GM's product development chief.

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## **India vows to cut carbon intensity in Paris pledge**

**By Karl Ritter**

STOCKHOLM (AP) — As the last major economy to submit a target for a global climate pact, India is pledging to reduce the intensity of its carbon emissions and boost the share of electricity produced from sources other than fossil fuels to 40 percent by 2030.

The world's third-largest carbon polluter filed its climate action plan to the Germany-based U.N. climate secretariat late Thursday, the deadline for pledges before a December conference in Paris, where governments are supposed to adopt a landmark deal to fight climate change.

In a 38-page submission citing Mahatma Gandhi, the Indian government said it would slash the rate of emissions relative to gross domestic product by 33-35 percent by 2030 from 2005 levels.

It said India has already reduced its carbon intensity by 12 percent since 2005.

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**Ban: Pacific islands can help fight climate change**



By The Associated Press

UNITED NATIONS (AP) — Secretary-General Ban Ki-moon says he is counting on the leaders of Pacific island nations to raise their voices and build momentum for an agreement to combat climate change.

He expressed hope that the world's nations will finalize "a new universal and meaningful climate change agreement" at a conference in Paris in December which would be "an important turning point." But he said it would not be "an end point for global climate action."

Ban said dangers to vulnerable small islands persist, citing this year's El Nino phenomenon which has caused strong droughts and cyclones in the Pacific.

He told a meeting of the Pacific Islands Forum on the sidelines of the U.N. General Assembly ministerial meeting that he has been doing everything possible to raise the financing they need to mitigate climate change.

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## **As oil wealth dwindles, Saudi Arabia faces change**

**By Aya Batrawy**

JIDDAH, Saudi Arabia (AP) — At a gas station in Saudi Arabia's second largest city of Jiddah, drivers are fueling up their cars at just 45 cents a gallon — four times less than the price of water.

To make that possible, the kingdom spends up to \$10.7 billion per year on gasoline subsidies. It also offers a range of perks and welfare support to its citizens such as free healthcare and education, including thousands of scholarships to expensive Western universities.

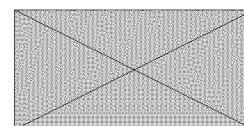
Such largesse, however, is likely to be rolled back as the world's largest oil exporter looks to curb spending for the first time in years due to a plunge in the price of crude, which accounts for 90 percent of government revenue.

While the country's \$656 billion in currency reserves will help it avoid a brutal shift in lifestyles and policies, the kingdom is starting to be more careful with its finances. That will likely mean less investment in new infrastructure projects but also possibly, down the line, less welfare spending, smaller wage increases, and less construction of much-needed housing and roads.

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## **Week in Review – Pope Urges U.S. to Address Climate Change**

Hillary Clinton Shares View on Keystone Pipeline.

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### **Crude export bill advances, but not without 'poison pill'**

The Senate Banking Committee approved—on a mostly party-line vote—a bill to end the ban on crude oil exports, but with an amendment requiring Iran to compensate U.S. terrorism victims, which the bill's sponsor, Sen. Heidi Heitkamp, D-N.D., called a "poison pill," FuelFix reports.

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### **Oil drops on weak manufacturing data, Hurricane update**

Oil finished lower Thursday despite early spikes, after revised forecasts downgraded the predicted impact of Hurricane Joaquin on the East Coast and the latest purchasing managers index suggested only limited expansion of manufacturing demand. Light, sweet crude for November delivery lost 35 cents to settle at \$44.74 a barrel on the Nymex, while in London, Brent fell 68 cents, or 1.4 percent, to \$47.69, The Wall Street Journal reports.

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### **LWCF backers press on despite its expiration**

Authorization for the Land and Water Conservation Fund expired at midnight, but the continuing resolution approved Wednesday does provide money for it, and E&E reports supporters of the program are looking for ways to get it reauthorized.

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### **Natgas slides more than 3 percent to 3-year low**

Pressure from growing supplies sent the Nymex November natural gas contract slumping 9.1 cents, or 3.6 percent, Thursday to settle at \$2.433 per million British thermal units, a level not seen since June of 2012, The Wall Street Journal reports.

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### **Bondholders dump Chesapeake after credit renegotiation**

A selloff by bondholders—triggered when Chesapeake Energy Corp. renegotiated its credit line—has erased up to \$275 million of the company's market value, Bloomberg reports.

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## **Conferences axed as a result of oil price slide**

Continued low oil prices are triggering cancellation of a number of energy conferences, FuelFix reports.

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## **Balance of oil trade with Mexico shifts the U.S. way: EIA**

On the back of increased shale output, the Energy Information Administration says the U.S. in July exported 48,000 more barrels of oil products per day to Mexico than it brought in, the first time the country has become a net exporter to Mexico in more than 20 years, Bloomberg reports.

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## **California air board takes aim at short-term pollutants**

A draft proposal from the California Air Resources Board makes some regulatory changes to tackle short-lived climate pollutants, or SLCPs, such as methane, black carbon and refrigerator gases, E&E reports.

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## **UCLA's Energy Atlas finds wealthy neighborhoods, businesses using more energy**

Significantly more energy is consumed per-capita by wealthy neighborhoods than poor ones in Los Angeles, according to UCLA researchers, who found that the most energy of all is used in the commercial sector, the Los Angeles Times reports.

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## **Upcoming Events**

- Oct. 1, Washington: Senate Energy and Natural Resources Subcommittee on Public Lands, Forests and Mining to hold a hearing a bill to reduce royalty payments for sodium mining. 2:30 pm , 366 Dirksen.
- Oct. 1, Washington: A group of veterans and Reps. Ed Whitfield, R-Ky., Sanford Bishop, D-Ga., Mike Conaway, R-Texas, and Bill Johnson, R-Ohio to hold a press conference on energy security, focusing on the Keystone XL pipeline and energy exports. 11:00 am , House Triangle.
- Oct. 1, Washington: The House Energy and Commerce Subcommittee on Environment and the Economy to hold a hearing on safe transportation of nuclear materials. 10:15 am , 2123 Rayburn.
- Oct. 1, Washington: The Senate Banking, Housing and Urban Affairs Committee to

hold a markup session and vote on the American Crude Oil Export Equality Act to end the crude oil export ban. 10:00 am , 538 Dirksen.

- Oct. 1, Washington: The Senate Small Business and Entrepreneurship Committee to hold a hearing into the business impact Environmental Protection Agency's Gold King Mine spill in Colorado. Rep. Scott Tipton, R-Colo., to testify. 10:00 am , 428A Russell
- Oct. 1, Washington: Politico to host an event on "America's Energy Agenda" in the aftermath of the Clean Power Plan. Sen. John Hoeven, R-N.D., America's Natural Gas Alliance President and CEO Marty Durbin and Commissioner Tony Clark of the Federal Energy Regulatory Commission among scheduled speakers. 9:00 am , 101 Constitution Ave. NW.



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